

European Communities

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Report

drawn up on behalf of the Committee on External Economic Relations

**on the safeguard measures provided for in the Cooperation Agreement
and the Interim Agreement concerning trade and commercial
cooperation between the European Economic Community and the
Socialist Federative Republic of Yugoslavia (Doc. 1-164/80)**

Rapporteur: Mr L. RADOUX

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By letter of 13 May 1980 the President of the Council of the European Communities, consulted the European Parliament pursuant to Article 43 and 113 of the EEC Treaty, on the safeguard measures provided for in the Cooperation Agreement and the Interim Agreement concerning trade and commercial cooperation between the EEC and the Socialist Federative Republic of Yugoslavia.

The President of the European Parliament referred this proposal on 19 May 1980 to the Committee on External Economic Relations as the committee responsible and to the Political Affairs Committee for its opinion.¹

On 28 May 1980 the Committee on External Economic Relations appointed Mr Radoux rapporteur.

It considered the proposal at its meeting of 5 June 1980 and adopted the motion for a resolution and explanatory statement unanimously at the same meeting.

Present: Mrs Wieczorek-Zeul, acting chairman, Mr Radoux, rapporteur, Mr E. Kellet-Bowman, Mr Lemmer, Mrs Lenz, Mr Louwes, Mr Poirier, Mr Seeler, Mr Welsh.

¹ The Political Affairs Committee has decided not to give an opinion

CONTENTS

A.	MOTION FOR A RESOLUTION	5
B.	EXPLANATORY STATEMENT	7

A

The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on the safeguard measures provided for in the Cooperation Agreement and the Interim Agreement concerning trade and commercial cooperation between the European Economic Community and the Socialist Federative Republic of Yugoslavia

The European Parliament,

- having regard to the communication from the Council on the negotiation of the Cooperation Agreement between the EEC and Yugoslavia, and the agreement between the Member States of the European Coal and Steel Community and the European Coal and Steel Community of the one part and Yugoslavia of the other part,
 - having regard to the report by Mr Radoux (Doc. 1-165/80),
 - having regard to the Interim Agreement between the European Economic Community and the Socialist Federative Republic of Yugoslavia concerning trade and trade cooperation,
 - aware of the need to contribute to the harmonious development of the economy of Yugoslavia and of the Community,
 - having regard to the proposal from the Commission to the Council (COM (80) 205 final),
 - having been consulted by the Council (Doc. 1-164/80),
 - having regard to the report of the Committee on external economic relations (Doc. 1-238/80),
1. Stresses the importance of the possibility of applying safeguard measures as laid down in the Cooperation Agreement and the Interim Agreement on trade, as these represent a particularly defective technical instrument for preventing disturbances in a number of sectors of economic activity, which might seriously damage the economic situation of a number of regions of Yugoslavia and of the Community;

2. Believes that care should be taken as far as possible to ensure that the application of the cooperation agreement does not compromise the economic, sectoral or regional interests of the parties;
3. Believes that in the event of safeguard measures being taken they should be chosen in such a way as to cause the minimum disturbance to the operation of the agreement;
4. Approves the proposal for a regulation as a whole.

EXPLANATORY STATEMENT

1. The European Community has concluded a cooperation agreement with Yugoslavia which was signed in Belgrade on 2 April 1980. This agreement provides for widespread cooperation in the main sectors of the economy. The Community proposes in the agreement to make a significant contribution to the economic and social development of Yugoslavia but in view of the different degree of development of the economies of the Community and of Yugoslavia and the differences in their economic and productive structures, it is possible that during the application of the agreement some disturbances may arise in certain economic sectors or difficulties may appear which might seriously damage the economy of a particular region.

2. In the course of application of the agreement, there is a possibility of dumping or subsidies. For these reasons the Cooperation Agreement (Articles 35 to 38 and 55) and the Interim Agreement on trade (Articles 22 to 25 and 36) provide for the application, in certain circumstances, of safeguard measures.

3. This proposal for a regulation lays down the detailed rules for the application of these safeguard measures. In particular it states that in cases liable to lay the Community open to safeguard measures the Commission may, on its own initiative, or at the request of a Member State, collect the necessary information and, where necessary, take or propose that the Council take the appropriate measures (Article 1).

4. In the case of dumping or subsidies liable to warrant the application by the Community of the measures provided for in Article 35 of the Cooperation Agreement and Article 22 of the Interim Agreement, the introduction of anti-dumping or countervailing duties should be decided upon in accordance with the procedure and detailed rules laid down in Regulation (EEC) No. 3017/79 Article 2).

5. The Commission notifies the Cooperation Council and the Joint Commission as laid down in Article 38 of the Cooperation Agreement and Article 25 of the Interim Agreement (Article 5).

6. In conclusion, since the EEC-Yugoslavia Cooperation Agreement extends to the most important economic sectors, it is essential that care be taken as far as possible when it is applied to avoid economic, sectoral or regional disturbances. For this reason the possibility of applying safeguard measures has been left open. These constitute an important technical instrument for achieving harmonious economic cooperation.

7. It should be pointed out that if safeguard measures are introduced the competent authorities should take steps to reduce as far as possible disturbances to the application of the agreement.

8. It is felt that the proposal for a regulation as a whole can be approved.